

Grafton Group plc

Trading Update

Diversified geographic footprint supports resilient H1 trading performance

Grafton Group plc (“Grafton” or “the Group”), the European multinational distributor of construction related products and solutions, issues this trading update for the period from 1 January 2026 to 30 June 2026 (“the period”), ahead of the release of the half year results on 3 September 2026.

Highlights

- Modest growth in average daily like-for-like sales in the first half as growth in Iberia, the Island of Ireland and Northern Europe offset weak markets in Great Britain
- Recently acquired businesses of Mercaluz in Spain and Cygnum in Ireland trading well and in line with expectations
- Continuing focus on disciplined cost control and margin management
- Supply chain risks actively managed with no material disruption to date
- Share buyback programme for up to £25.0m launched on 30 June 2026
- Full-year adjusted operating profit¹ guidance of £190m - £200m² maintained, as trading conditions in the second half are expected to remain broadly consistent with those experienced in the first half

Trading and Performance

Group revenue in the period increased by 6.7% to £1.34bn (2025: £1.25bn), or 4.7% in constant currency. Growth was supported by contributions from HSS Hire Ireland and Cygnum, acquired in Ireland on 31 May 2025 and 31 March 2026 respectively, together with two months of trading from Mercaluz in Spain, which was acquired on 30 April 2026. Trading days were in line with the prior year across all businesses, except in Spain, which had one day less.

Average daily like-for-like revenue for the Group in the first half increased 0.6% despite ongoing challenges in certain markets, as geopolitical uncertainty continued to weigh on market confidence. Strong momentum in Iberia, coupled with continued growth in the Island of Ireland and modest growth in Northern Europe, was largely offset by a weak performance in Great Britain throughout the first half.

The Group has experienced no material disruption from geopolitical developments in the Middle East and continues to proactively manage supply chain risks to maintain strong stock availability. Management remains focussed on cost discipline and margin management.

The following table shows the changes in average daily like-for-like revenue compared to the same period in the prior year:

Segment	Average Daily Like-for-Like Revenue Change in Constant Currency		
	Quarter 1 to 31 March 2026 vs 2025	Quarter 2 to 30 June 2026 vs 2025	Half Year to 30 June 2026 vs 2025
Island of Ireland	+1.6%	+5.2%	+3.4%
Great Britain	(5.2%)	(4.9%)	(5.1%)
Northern Europe	+1.6%	+0.1%	+0.8%
Iberia	+1.7%	+10.8%	+6.6%
Group	(0.5%)	+1.7%	+0.6%

Island of Ireland

The Group's Island of Ireland businesses, which enjoy unmatched scale and market leadership positions, delivered average daily like-for-like revenue growth of 3.4% in the first half. Performance strengthened through the period as improving construction activity supported growth at Chadwicks in the second quarter, following weather-related disruption earlier in the year. The integration of Cygnum, a leading supplier of made-to-order offsite timber frame solutions to developers and contractors in Ireland, continues to progress well and further strengthens the Group's presence in this attractive growth market.

Woodie's traded slightly ahead of strong prior year comparatives, when favourable spring weather in 2025 accelerated demand for garden and outdoor living products.

Great Britain

Average daily like-for-like revenue in Great Britain declined by 5.1% in the first half compared with the prior year, reflecting continued weakness across construction markets. Market conditions remained challenging throughout the period, with subdued construction activity and heightened economic and geopolitical uncertainty continuing to weigh on consumer confidence and investment decisions. All businesses have responded to challenging market conditions through active cost management and ongoing efficiency initiatives.

Northern Europe

Average daily like-for-like revenue in Northern Europe increased by 0.8% in the first half, driven by growth in Finland alongside more modest growth in the Netherlands. In Finland, favourable winter weather and management initiatives supported first-half growth despite a subdued economic backdrop, although momentum moderated in the second quarter. In the Netherlands, market conditions remained challenging with management continuing to focus on self-help initiatives and operational improvements.

Iberia

Salvador Escoda's average daily like-for-like revenue increased by 6.6% in the first half, benefiting from favourable economic conditions, record first-half temperatures in Spain and strong execution of sales growth across its air conditioning, refrigeration and ventilation product categories. Growth in the first quarter was negatively impacted by the timing of strong project related sales in the prior year.

The integration of Mercaluz, a leading distributor of residential and commercial air conditioning equipment, is progressing well and performing in line with expectations, further strengthening the Group's position in the attractive Iberian market.

Share Buyback

A further buyback programme was launched on 30 June 2026 to acquire ordinary shares in the Company for an aggregate consideration of up to £25m.

Demonstrating its disciplined capital allocation framework, Grafton has returned £457.6m to shareholders between May 2022 and 9 July 2026 through share buybacks. Supported by strong cash conversion and a resilient balance sheet, the Group has repurchased 52.51m ordinary shares at an average price of £8.71 per share, reducing its share count by 21.8% since the first buyback programme commenced.

Outlook

The Group reaffirms its previously issued full-year adjusted operating profit¹ guidance of £190m - £200m².

Trading conditions in the second half are expected to remain broadly consistent with those experienced in the first half. Iberia is expected to continue to deliver strong growth, while market conditions on the Island of Ireland remain favourable, supported by attractive underlying demand fundamentals. In Northern Europe, market conditions are expected to remain subdued, and the timing of a sustained recovery in Finland and the Netherlands remains uncertain. In Great Britain, market conditions are expected to remain challenging, with no meaningful improvement anticipated in the near term.

While geopolitical uncertainty and related inflationary and supply chain risks persist, the medium-term outlook for Grafton remains positive. Structural housing undersupply across its markets and an anticipated recovery in RMI demand after an extended period of restrained consumer spending provide supportive growth drivers. Supported by a resilient balance sheet and significant financial flexibility, the Group remains well positioned to invest in organic growth opportunities, pursue value-enhancing acquisitions and return capital to shareholders.

Eric Born, Chief Executive Officer of Grafton Group plc commented:

"Today's trading update demonstrates the quality of our businesses combined with the resilience and opportunity created by our exposure to multiple geographies. Strong growth in Iberia and the Island of Ireland, together with continued progress in Northern Europe, has largely offset ongoing weakness in Great Britain."

"At our recent Capital Markets Event, we outlined our position as a European platform of scale, with an agile, powerful federated operating model underpinned by a disciplined and focussed capital allocation policy. As such, we are confident of meeting our adjusted operating profit expectations for 2026 of £190m - £200m and delivering on our target of compound annual adjusted EPS growth of more than 10%³ out to 2030."

1. Adjusted operating profit is defined as profit before amortisation of intangible assets arising on acquisitions, acquisition related items, exceptional items, net finance expense and income tax expense.

2. Grafton compiled consensus analysts' forecasts for 2026 show adjusted operating profit of circa £193.7m.

3. CAGR calculated based on 2025 Adjusted EPS of 73.8p (excluding property profit).

Ends

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About Grafton

Grafton Group plc is a European multinational distributor of construction related products and solutions comprising four geographic segments serving the Island of Ireland, Great Britain, Northern Europe and Iberia. In our Irish home market, we also operate the leading home improvement retailer.

Trading from c. 470 branches (owned/leased) with c.10,000 colleagues, the Group's portfolio of market leading, trusted brands includes:

- Island of Ireland: Chadwicks Group, Woodie's and MacBlair
- Great Britain: Selco, Leyland SDM, T.G. Lynes, CPI EuroMix and StairBox
- Northern Europe: Isero / Polvo (Netherlands) and IKH (Finland)
- Iberia: Salvador Escoda and Mercaluz (Spain)

For further information visit www.graftonplc.com

Forward-looking statements

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